

AMENDED IN ASSEMBLY APRIL 18, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1321

Introduced by Assembly Member Yee

February 22, 2005

An act to add Section 1379.1 to the Health and Safety Code, relating to health care service plans.

LEGISLATIVE COUNSEL'S DIGEST

AB 1321, as amended, Yee. Hospital-based physicians: charges.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a violation of the act a crime. The act requires that a provider contracting with a plan agree that he or she will not collect or attempt to collect from a subscriber or enrollee any sums owed by the plan for services that the provider rendered.

This bill would prohibit a hospital-based physician, as defined, from seeking payment from ~~an enrollee~~ *individual enrollees* for services he or she rendered and would require that physician *or group of physicians* to seek reimbursement solely from the enrollee's health care service plan or ~~its the contracting medical group~~ *risk-bearing organization*. *The bill would require a health care service plan that becomes aware that one of its enrollees has been billed in violation of these provisions to report that violation to the department. This bill would also provide that an enrollee shall have no obligation to pay an amount billed in violation of these provisions.*

Because the bill would specify an additional requirement under the act, a violation of which is a crime, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1379.1 is added to the Health and
2 Safety Code, to read:

3 1379.1. (a) A hospital-based physician who provides services
4 at a general acute care hospital that contracts with a health care
5 service plan shall seek reimbursement for medically necessary
6 covered services provided to an enrollee of that plan solely from
7 the plan or its contracting ~~medical group, and risk-bearing~~
8 *organization that is financially responsible for the covered*
9 *services rendered under the contract between the plan and the*
10 *risk-bearing organization. The hospital-based physician shall not*
11 *seek payment from the enrollee individual enrollees for those*
12 *covered services, except for allowable copayments and*
13 *deductibles authorized by the plan contract. For. A*
14 *hospital-based physician subject to this section shall have the*
15 *right to receive reimbursement owed pursuant to the provisions*
16 *of this chapter from the plan or the contracting risk-bearing*
17 *organization that is financially responsible for the covered*
18 *services.*

19 (b) For purposes of this section, a “hospital-based physician”
20 means an anesthesiologist, radiologist, pathologist, or emergency
21 room physician, *or a group of such physicians providing medical*
22 *services at the hospital.*

23 ~~(b)~~
24 (c) For purposes of this section, “risk-bearing organization”
25 shall have the meaning set forth in subdivision (g) of Section
26 1375.4.

27 (d) An enrollee ~~may report any charges~~ who is billed by a
28 hospital-based physician ~~made~~ in violation of this section *may*
29 *report receipt of the bill to the health care service plan and the*

1 department. A health care service plan that becomes aware that
2 ~~its enrollee~~ *one of its enrollees* has been ~~assessed a charge billed~~
3 in violation of this section ~~may~~ *shall also* report that violation to
4 the department. The department ~~may forward the report to the~~
5 ~~Medical Board of California.~~ *shall have sole authority to enforce*
6 *this section, and shall take appropriate action against a*
7 *hospital-based physician upon a determination that the physician*
8 *has violated this section, including the issuance of a written*
9 *warning, a cease and desist order, or other actions, as provided*
10 *in Section 1387.*

11 *(e) An enrollee shall have no obligation to pay an amount*
12 *billed in violation of this section.*

13 SEC. 2. No reimbursement is required by this act pursuant to
14 Section 6 of Article XIII B of the California Constitution because
15 the only costs that may be incurred by a local agency or school
16 district will be incurred because this act creates a new crime or
17 infraction, eliminates a crime or infraction, or changes the
18 penalty for a crime or infraction, within the meaning of Section
19 17556 of the Government Code, or changes the definition of a
20 crime within the meaning of Section 6 of Article XIII B of the
21 California Constitution.